



Winston H. Hickox  
Agency Secretary

# Air Resources Board

Alan C. Lloyd, Ph.D.  
Chairman

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Gray Davis  
Governor

February 4, 2003

MSC #03-03

To: All Interested Parties

This letter is to provide you with an update on the Fleet Zero Emission Vehicle (ZEV) Incentive Program (Fleet ZIP). As you may be aware, on December 19, 2002 the Air Resources Board (ARB) sent out a solicitation letter for the Fleet ZIP. This program provides up to \$11,000 per new ZEV purchased or leased by fleets in areas with the worst air quality in California. Since that time, some auto manufacturers have announced that they are no longer making their electric vehicle, leaving the Nissan Altra EV as the only electric vehicle available for new orders at this time. According to Nissan, however, this vehicle is available in very limited quantities to public fleets only.

In response to the lack of vehicle availability and to provide greater flexibility to the applicants, the ARB has made a few changes to the Fleet ZIP Guidelines. One significant change allows fleets that leased or purchased vehicles after May 1, 2002 to apply for the grant. This grant will still be distributed through a competitive process; therefore there are no guarantees that fleets already leasing or purchasing vehicles will receive a grant. However, if a fleet does qualify, this grant may provide additional funding toward eligible EVs. Following is a list of all the changes made to Fleet ZIP.

1. Project vehicles must be garaged and/or operated in an area that meets applicable environmental justice criteria.
2. The purchase or lease date of the project vehicles must have occurred after May 1, 2002. The applicant must accept delivery of the project vehicles within 365 days of the date of grant approval or on or before June 30, 2004, whichever is earlier.
3. Vehicles already receiving a grant through the ZEV Incentive Program (ZIP) I or ZIP II, may receive a grant through the Fleet ZIP however the total incentive amount will not exceed the Fleet ZIP grant amount. For example, if an EV received \$9K through ZIP I and was approved for a Fleet ZIP grant of \$11K, the applicant would receive \$2K from Fleet ZIP making a total grant amount of \$11K.

I would like to encourage all fleets that meet the minimum eligibility requirements to apply for this grant. To learn about the eligibility requirements and to get additional information about the Fleet ZIP, please visit [www.arb.ca.gov/zev](http://www.arb.ca.gov/zev). The ARB will receive applications until 4:00 PM, March 3, 2003. Please submit all applications to:

Ms. Lisa Kasper  
Air Resources Board  
Mobile Source Control Division - North  
P.O. Box 2815  
Sacramento, CA 95812

*The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our Website: <http://www.arb.ca.gov>.*

California Environmental Protection Agency

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The Guidelines for Implementing an Expanded Statewide ZEV Incentive Program (ZIP I and ZIP II) and a ZEV Incentive Program for Fleets that Operate in Areas of California with the Poorest Air Quality (Fleet ZIP) along with the application, instructions, frequently asked questions and environmental justice criteria can be found at <http://www.arb.ca.gov/zev>. If you would like a hard copy mailed to you, or have any questions pertaining to the application process, please contact Ms. Lisa Kasper, Air Pollution Specialist, ZEV Implementation Section, at (916) 327-2932.

Sincerely,

//s//

Robert H. Cross, Chief  
Mobile Source Control Division

cc: Lisa Kasper